



PRESS RELEASE

SeSa Group expands in Germany acquiring the company PBU CAD-Systeme GmbH, based in Bavaria, active in the field of IT solutions for the manufacturing industry 4.0, under an expansion plan of skills and operations in foreign markets

Var Group, SeSa Group fully owned subsidiary consolidating SSI sector, through its subsidiary Tech-Value, acquires 60% of PBU, creating an European center in the segment of PLM solutions and digital services for the engineering intensive manufacturing sector, with an expected annual turnover of approximately Euro 35 million

PBU provides IT solutions to a customer set of over 600 German manufacturing companies, with a team of 40 highly specialized resources. PBU closed the year 2017 with revenues equal to approximately Euro 8.5 million, an Ebitda of Euro 917 thousand and a net profit of Euro 619 thousand

Empoli, 19 February 2019

Sesa S.p.A., Italian reference player in the sector of value-added IT solutions for the business segment, with a turnover of approximately Euro 1.360 billion at 30 April 2018, expands on the German market in the sector of IT solutions for the manufacturing industry 4.0. The acquisition represents a first abroad expansion of skills and activities, with the strategic aim to enlarge the industrial project on a European basis in high value-added specialization areas, with reference to industrial districts close to Italian ones.

Var Group (fully owned subsidiary consolidating Sesa Group's *Software and System Integration* sector, with total revenues of about Euro 290 million at 30 April 2018) through its subsidiary Tech-Value, specialized in the offer of IT and PLM solutions for manufacturing companies, completed the acquisition of 60% of *PBU CAD-Systeme GmbH* ("PBU"), a company with over 20 years of experience in the design services and PLM solutions (*Product Lifecycle Management, Process Transformation*) and *Digital & Virtual Manufacturing* for manufacturing companies. PBU is based in Aichach (Bavaria) and branches in Filderstadt (Stuttgart) and Moers (Düsseldorf), a qualified staff of about 40 technical resources and an historical partnership with Siemens Industry Software, with a customer set of over 600 German manufacturing companies *engineering intensive*, with a strong focus on digital transformation.

Thanks to the acquisition, Tech-Value creates an European hub of digital manufacturing services which, following the acquisition of PBU, will develop in the fiscal year ending on 30 April 2021 a perimeter of over 200 human resources and Euro 35 million in revenues in 4 European countries (Spain, Germany, Austria and Italy), with an aim of further growth and consolidation. The PBU's customer base represents a major opportunity to develop synergies in Managed & Security Services and Digital Industry Solutions areas, through the skills developed in the Italian market with solutions supporting the digital transformation offering on a European basis.



PBU closed the last financial year at 31 December 2017 with revenues of approximately Euro 8.5 million, an Ebitda equal to Euro 917 thousand, a net profit after taxes of Euro 619 thousand and an average annual Net Financial Position ("NFP") active for approximately Euro 2 million. The preliminary revenues recorded in the fiscal year 2018 are equal to approximately Euro 8.5 million and the expected profitability in 2019 is in line with 2017 Year. The price paid for 60% of PBU was equal to Euro 3.84 million, at the purchase time, plus an Earn Out up to Euro 960 thousand on the basis of management and profit continuity in the period 2018-2021. The PBU founders will be involved and committed in the lead and management of PBU, to develop and enlarge the business in the long-term period. The founders will have a put option for the sale of the remaining 40% of PBU, exercisable in January 2022 or January 2025, with liquidation mechanisms on a three-year basis following the exercise time and incentives based on the continuity of the profitability and business development.

Thanks to this acquisition, Sesa Group expands its skills and solutions in industry 4.0 beyond national borders, in a major market such as the German one, characterized by manufacturing companies oriented towards *Digital Transformation*, strengthening its competitive positioning in high value-added areas of the IT sector and with double-digit Ebitda margin.

The Parties were assisted by Menchini & Associati and Studio Tombari Corsi D'Angelo e Associati for Sesa Group (legal advisor) and by Bird & Bird LLP (legal advisor) and Artemis Corporate Finance (financial advisor) for PBU founders.

"Thanks to the acquisition of PBU, we constitute an European digital manufacturing services centre supporting the industrial design, making use of the most innovative technologies and strengthening the partnership with Siemens Industry Software. In the fiscal year ending on 30 April 2021, we will develop a perimeter of over 200 human resources and Euro 35 million of revenues, across 4 European countries (Spain, Germany, Austria and Italy), with the aim of further growth and consolidation, both territorial and enabling technological innovation and digital transformation of Factory", stated Elio Radice, CEO of Tech-Value.

"On foreign markets we have a relevant presence by supporting the digital transformation of companies operating in the Made in Italy districts, increasingly oriented towards exports and internationalization. With the PBU acquisition, a year after the Tech-Value one, we expand the customer set of our digital services platform for the manufacturing company; in addition to IT production and PLM design services, we will offer Managed & Security services and Digital Industry Solutions, capitalizing, at European level, innovative skills and solutions that we are successfully developing on the Italian market", stated Francesca Moriani, CEO of Var Group S.p.A.

"SeSa Group starts its foreign development in a relevant manufacturing area like Germany, over industrial districts close to Italian ones, expanding its customer base and human capital, with 40 new colleagues joining our organization. Thanks to the two acquisitions of Tech-Value and PBU, our digital manufacturing services platform will generate revenues for approximately Euro 35 million in the Year at April 30, 2021, on a European basis. Sesa Group continues its strategy of focusing on high value-added IT solutions areas; external growth remains a strategic driver that could be once again adopted on the basis of our capability to identify target companies that may be industrially integrated in the long term, supporting our sustainable growth path", stated Alessandro Fabbroni, CEO of Sesa".



Sesa S.p.A., based in Empoli (Florence) and activities throughout the Italian territory, is the head of a Group leader in Italy in the sector of value-added IT solutions for the business segment, with consolidated revenues of Euro 1,363 million and about 1,650 employees (source: Consolidated Financial Statements at 30 April 2018). The Group has the mission of bring the most advanced technological solutions of major international Vendors of IT in the districts of the Italian and European economies, leading companies in the path of technological innovation. By partnering with the global leading brand in the industry ("IT Titans"), the skills of its human resources and investment in innovation, the Group offers ICT services and solutions (design, education, pre and post sales, Cloud Computing Solutions, Managed and Security Services, ERP & Vertical Solutions, Digital Solutions) to support the competitiveness and the digital transformation of enterprises customers. Sesa Group recorded at 30 April 2018 revenues for Euro 1,363 million, an Ebitda equal to Euro 63.1 million, a net profit attributable to the Group equal to Euro 26.9 million.

Tech-Value is specialized in offering of IT services and PLM solutions for "engineering intensive" companies in the manufacturing segment (Transportation, Automotive, Machinery, Aerospace & Defense), supporting over 1,000 manufacturing customers with approximately 150 resources and offices in Turin, Milan, Genoa, Fara Vicentino, Viareggio, Roncade, Bologna and Barcelona (including the subsidiaries Var Engineering, CCSTeam, Tech-in-nova and Tech-Value Iberica). From January 2018 Tech-Value is controlled by VAR Group S.p.A., system integrator focused on the offer of IT solutions (BTS, Managed & Security Services, ERP & Vertical Solutions, Digital Solutions) for SME and Enterprise markets. Var Group, fully owned subsidiary of Sesa S.p.A., is the head of the Sesa Group's Software and System Integration sector, which recorded at 30 April 2018 revenues of approximately Euro 290 million, with about 1,300 employees and an Ebitda equal to Euro 20.7 million.

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